

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6300

BILL NUMBER: HB 1012

NOTE PREPARED: Nov 19, 2007

BILL AMENDED:

SUBJECT: Property tax relief.

FIRST AUTHOR: Rep. Orentlicher

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___GENERAL
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Increases the state sales tax by 1% and requires the additional revenue to be deposited in the state general fund. Requires the state to assume the obligation to pay expenses formerly paid from: (1) the medical assistance to wards property tax levy; (2) the family and children's property tax levy; (3) the children's psychiatric residential treatment services property tax; (4) the children with special health care needs property tax levy; (5) the part of the county general fund levy used to pay the costs of committing juvenile delinquent offenders to the department of correction; (6) the school bus replacement fund levy; (7) the racial balance levy; and (8) the capital projects fund levy. Grants an additional circuit breaker property tax credit to low and middle income homeowners. Reduces the property tax replacement credits available to business property. Requires \$300,000,000 to be annually transferred from the property tax replacement fund to the property tax reduction trust fund. Increases the state adjusted gross income tax by 1% and requires the increased revenue to be deposited in the property tax reduction trust fund. Provides an additional property tax credit for homesteads and residential rental property from the property tax reduction trust fund. Expands the grounds on which a county board of tax and capital projects review may reduce a proposed levy, extends the period in which the county board may review budgets in counties outside Marion County, requires published notice of meetings, and requires the county board to meet in a room that is adequate for the public to attend meetings. Repeals: (1) county property tax levies for costs assumed by the state; (2) the additional county adjusted gross income tax or county option income tax rate imposed in a county to replace an increase in property tax levies in the county; (3) the municipal option income tax; the (4) county employment tax; and (5) the power of a county to terminate review of tax levies, rates, and budgets by county board of tax and capital projects review. Makes other related changes. Makes an appropriation.

Effective Date: Upon passage; July 1, 2007 (retroactive); January 1, 2008 (retroactive); April 1, 2008; May 1, 2008; July 1, 2008; January 1, 2009.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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